Paid Family and Medical Leave Act: Policy Analysis

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# Policy Analysis

**Introduction**

This policy analysis examines the FAMILY Act bill proposed to the house of Representatives on February 4, 2021: HB 804, "Family and Medical Insurance Leave Act." This bill would entitle eligible employees to the benefits of a federal paid leave program. The bill would permit workers to receive paid leave for family and medical needs for a specific period under temporary disability or a family leave program. This bill amends a tax on employers, employees, and self-employed to fund the benefit payments. The FAMILY Act would expand benefits to all individuals who have earned income from employment during the past 12 months with paid leave entitlements of up to 12 weeks of two-thirds wage replacement in large and small organizations. The bill is to be administered by a new office within the Social Security Administration, financed by a payroll tax on employers and employees of 0.2%. "State policymakers have a growing interest in paid family medical leave (PFML) laws. As of July 2020, state-run PFML laws were in effect in California, New Jersey, New York, Rhode Island, Washington State, and the District of Columbia. Programs were being prepared for implementation in Connecticut, Massachusetts, and Oregon" (Tobin-Tyle et al., 2021).

# Definition of the Social Problem

The bill addresses the loss of wages by U.S. workers and their families who must take an extended leave for family and medical reasons. Evidence suggests that this can put added financial strains, bouts of poverty, and increased dependency on public assistance benefits. "Every year, working families in the United States lose out on at least $28.9 billion in lost wages because they lack access to paid family and medical leave and affordable childcare" (Glynn S. 2016). Many U.S. low-wage workers need the support provided by a paid leave program to respond to the growing pressures of managing both work and family responsibilities. Currently, the only program to assist workers is unpaid job

protection of up to 12 weeks. Legislators continue to debate for a national paid leave program. The current federal Family and Medical Leave Act ("FMLA"), enacted in 1993, does not give protected wages to workers who need time off for the birth or adoption of a child, illness, or care for a loved one's condition. Few U.S. low-wage workers can afford to take advantage of the current FMLA benefits in times of need. Proponents of a national paid leave program like the Family Act believe it would strengthen families by giving parents more flexibility to care for their children and loved ones and decrease infant mortality rates. Increase participation in the workforce would boost business production, improving economic growth and the financial security of those disadvantaged groups who cannot afford unpaid leave, reducing the need for public assistance.

# Contextual Analysis

**Economic Factors**

People today are living and working longer than ever before. The lack of a national paid leave program, rigid work schedules, and expensive childcare affect U.S. families and equality in the workforce for women. More than half of the workforce in America today are women, married couples, and those caregiving for a family member (Boesch, 2021). The FAMILY Act bill would strengthen the economy, support families, and improve workplace equality. Among American workers, minority groups such as Black and Latinx can easily experience an economic crisis because paid leave programs are an elite privilege; only 6 percent of workers today benefit (PL+US.org). This "benefits gap" is the inequity between less advantaged groups and is even more significant than income inequity alone (Obama White house leave report, 2014). The Family and Medical Insurance Leave Act would shorten the gap and positively affect low-income families, employers, and the broader public. With access to the benefits, those who need time to care for the birth of a child or other family member can do so without going into debt or concern about losing their job. Businesses can benefit too. Family leave reduces costly

turnover, increases employee retention and productivity. In addition to childcare responsibilities, the

U.S. population is growing older, with an estimated increase from 17 to 22 percent of the population age 85 and older by 2040 (PL+US.org). The necessity for care of a loved one aged 85 or older will rise in the next few decades, increasing the need for paid time off.

# Public Opinion

The pandemic exposed vulnerabilities of many families of low-wage workers and has shifted public opinion to address the need for paid leave in the U.S., with 84 percent of Americans supporting paid family leave (PL+US.org). This policy is referred to as social insurance, where everyone pays a little in to gain assistance when they need it. Conservatives and Democrats both agree paternal leave is a family value matter advocating for women's equality in the workforce. Today, the U.S. is the only developed nation that does not have a paid family and medical leave mandate, and half of all American adults feel that they do not have enough time to do what they want with their days. Paid leave would allow more flexibility to support not only caregiving responsibilities but also self-care. American workers should not have to choose between work or family. It is time to improve the leave policy to extend benefits from unpaid leave to paid leave for all workers. Paid leave would extend crucial advantages supporting the nation's workers in balancing their family responsibilities.

# Current Programs and Services

FMLA was enacted over 25 years, with the U.S. workforce changing drastically over the past few decades has revealed that revisions to the current plan need to be made. With more dual-career households, single parents, and elderly caregiver needs many workers who need to take time off can not afford to do so. In the U.S., an estimated 50 percent of those who require leave did not take it because they feared losing their job and wages. In the past, some states and the private sector have used a patchwork effort to ensure workers receive some form of paid benefits. Like California, several states in

the U.S. have mandated eight weeks of paid leave and propose to expand the plan to include up to 6 months by 2022 (Appelbaum, 2011). The bill proposes a national paid leave program available to all income-earners, making benefits available to all working Americans. There is evidence to show additional time is needed for childcare during the birth or adoption of a child. Research shows that paid leave would reduce the risk of infant mortality by 20 percent (Winston, 2014). Many U.S. families would be supported to take time off to bond with their infants without the risks of going into financial crisis or losing their employment. Paid paternal leave bolsters the participation of women in the workforce by allowing flexibility to care for their children and families equally with their partners.

# Potential Barriers

Evidence and analysis of paid leave in other countries and the current U.S. states who use it suggest that a "one size fits all" paid leave program would cost more than anticipated, ballooning over time and raising spending by $521 billion between 2020 and 2030 (Greszler, 2020). The California Chamber of Commerce opposed paid leave in their state in a letter entitled "Job Killer," stating it was too burdensome on small businesses to provide paid and protected leave each year. Provisions of paid leave in California now apply only to companies with five or more employees (Rosenhall, 2020).

Employees are often hesitant to take advantage of paid leave benefits because they fear retaliation from their companies and possible job loss. Small businesses oppose a paid leave program because when supporting the back-end administration of implementing such a program or losing a key team member out on leave for an extended period (Kuligowski, 2020).

# Ecological System Interventions

On a macro level, paid leave improves gender and racial equality. Experts claim that six months of paid paternal leave for the birth or adoption of a child has significant health and economic benefits to the household and improves gender equality in the workplace (SocialWorkToday.org). Disadvantaged

groups, especially Black and Latinx, suffer greater wealth and health disparities, making paid leave a racial justice issue (National Partnership for Women and Families, 2018). Most workers in the service industry cannot afford unpaid time off for an illness, as we saw with the COVID pandemic, resulting in the spread of infectious diseases (National Partnership.org, 2021). Reducing the spread of disease is just a benefit for the broader public. At the meso-level, paid leave and flexibility for employees improve company morale and increasing overall job satisfaction. Reducing the cost of high employee turnover is an added benefit to companies as well. On a micro-level, a gender-neutral leave includes benefits for fathers. When a father has access to paid time off, it can benefit the mother and infant's health during the birth or adoption of a child. When mothers can spend more time at home with their infant, it reduces the infant mortality rate by 20% and positively impacts the health and development of their child. (Joint Economic Committee). As the United States population continues to age, more employees will need to care for their elderly family members. Paid leave would afford families more time for caregiving and keep costs for caregiving at a minimum, which improves the quality of life for older adults being cared for by family members.

# Policy Recommendations

**Implementation**

Desired outcomes of the bill would be to offer U.S. workers partially paid family and medical leave in the case of paternal leave, elder care, or illness. American families have changed dramatically over the past few decades, and many more women are juggling the demand of work and motherhood. In addition to women, a paid leave program support gender-neutral utilization of leave and allows for a more balanced role between parents to take active roles in family responsibilities. The FAMILY Act would benefit the way we live and work. The U.S. is one of few developed countries that has not implemented a paid leave policy, and it is time the federal government adopted this program for its

citizens. Currently, fifteen U.S. states that have implemented a paid leave program have shown success for many families and businesses. A national paid leave program would regulate a standard for family and medical leave assistance for Americans. The current bill proposes all companies, regardless of size, be required to offer partially paid leave for no longer than 60 days per year at two-thirds of the regular wage for all employees regardless of full-time or part-time employees. Self-employed workers should be included to benefit as well. One possible step that may need to be addressed when enacting this bill would be prohibiting businesses from any form of retaliation toward employees by protecting their job while on leave. Additional considerations need to be made toward a fair percentage in wages that would support financial security during leave.

# Alternatives and Impact

A public policy should aim to achieve equality for health, development, and well-being.

Implementing a paid leave program would help ensure that all workers have equal access to paid leave for medical and family needs. A paid leave program would not only protect wages and increase financial stability for disadvantaged groups, but it would also move the nation toward the goal of equity and racial justice. Many minority populations are impacted significantly by medical and family responsibilities that threaten their job and wages. The racial wealth gap debilitates families of color who have fewer resources to pull from during times of severe illness or the birth or adoption of a child. (National Partnerhsip.org) In addition to racial justice, experts contend that parents require more time at home with their infants during the birth and adoption of a child is. The current 12 weeks of unpaid leave offered through FMLA are not suitable, and many parents return even sooner due to financial insecurities. Paid leave should be extended to six months at minimum to support the needs of infants and families as they bond and care for this life event. These benefits would also encourage fathers to participate in the family responsibilities and create more equality in the workplace for new parents.

Furthermore, the policy should consider the diversity of families in America by considering both same-

sex couples and domestic partnerships. The benefit is more focused on the health and development of the infant or child during this formative time.

# Social Work Values

Disadvantaged groups are hit hardest by affording caregiving and medical leave demands, making paid family and medical leave a social justice issue. Creating a national leave program ensures that each American worker, regardless of race, ethnicity, gender, and wage earnings, entitles them to benefits. This bill addresses the need for equality of opportunity and aligns with issues that promote services, information, and resources. Social work values and principles seek change against unemployment, discrimination, and others forms of social injustice on behalf of the vulnerable and oppressed. When the social work field began, the focus was on supporting the well-being of all humans, with a particular emphasis on empowering the vulnerable and oppressed. A bill like the FAMILY Act empowers women to increase their presence in the workforce, cultivates a more balanced caretaker role for parents, and benefits the health and development of children. Advocating for fair and equal treatment in employment benefits for vulnerable populations is a commitment of the social work field. This bill attends to social justice for all Americans and a fairer economic framework.

# Conclusion

The Family and Medical Insurance Leave Act would enhance the goal of moving toward social justice and foster workplace equality. Until recently, the debate over paid leave is diminished by arguments that it would be too costly, and implementation would be timely. Regardless of the economic factors, paid leave is a 21st-century fairness concept and promotes far-reaching gains to family and American culture. Passing the bill progresses Americans toward the standards set by other developed countries, improving the way we live and work. Family and medical leave is a vital benefit for the economic security of workers and families. Providing a social insurance plan helps strengthen families,

allow more time for caregiving responsibilities, and improve children's health and development. The economic and family benefits of this paid leave act would help create better work-life balances for many Americans by addressing the need for a more flexible work schedule and affordable options for families who have children and elderly parents to care for. The proposition of creating a national paid benefit plan for Americans is long overdue, and a large majority are in support of creating a sustainable future of well-being for all U.S. workers and families.

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